



# Called City Commission Meeting Highlights

Tuesday, July 28, 2020 at 5:30 p.m. by Video Conferencing

*Note: Due to the COVID-19 situation and the need to maintain social distancing, all members of the Paducah Board of Commissioners participated by video conferencing.*

## **Lose Agreement Suspension and Further Due Diligence - Design Pause for Indoor Recreation and Aquatic Center**

The Paducah Board of Commissioners approved a municipal order to continue the suspension of the agreement with Lose & Associates, Inc. regarding the design and construction management services for the Indoor Recreation and Aquatic Center and direct the City Manager to continue due diligence on the project. This municipal order pauses the agreement until January 2021. At the previous Commission meeting, the Board approved adding amendments to this municipal order directing the City Manager to continue due diligence related to the project including

1. The creation of a conceptual build-out for prospective tenants.
2. The creation of community focus groups for the project with an emphasis on inclusion and programming.
3. Research on financial assistance and facility naming rights.
4. Research on facility costs with an emphasis on understanding the impact of COVID-19 on the project Pro Forma.

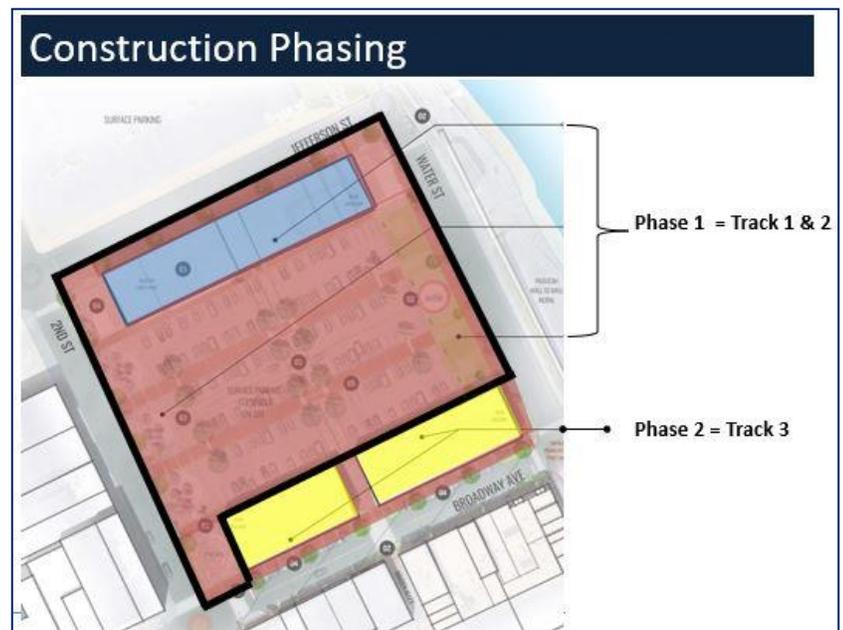
This municipal order was adopted with a 3-2 vote with Commissioner Richard Abraham and Commissioner Gerald Watkins voting no. Commissioner Abraham and Commissioner Watkins stated they are in favor of pausing the design but not in favor of the amendments that continue the due diligence related to the project which may have associated costs. Prior to the vote, Commissioner Abraham made a motion to rescind the amendments to the municipal order and include only the pausing of the design until January. By a 2-3 vote (Commissioner Abraham and Commissioner Gerald Watkins voting to rescind the amendments), the Board did not approve Commissioner Abraham's motion.

The City entered into an agreement with Lose for the design of the indoor recreation and aquatic center in August 2019. Due to the COVID-19 pandemic, the City paused the design of the facility beginning May 1 for a period that would have ended this month. For more information about the Center including the conceptual drawings, visit <http://paducahky.gov/indoor-recreation-and-aquatic-center>.

## **City Block Development Agreement (vote August 11)**

The Paducah Board of Commissioners introduced an ordinance to approve a development agreement between the City and Weyland Ventures Development, LLC for the City Block project. This project includes the development of a hotel, parking, open space, and mixed-use residential buildings located on the 2.88-acre city-owned block bounded by Second Street, Broadway, North Water Street, and Jefferson Street. Bill Weyland and Barry Alberts with Weyland Ventures provided an overview of the company and its various projects including several projects completed in Louisville, Kentucky, and Dayton, Ohio. Alberts stated that Weyland Ventures likes Paducah and would like to do more projects after investing \$21 million in the City Block project.

In April 2019, the City and Weyland entered into a pre-development agreement for each party to



undertake various site due diligence for the project including numerous stakeholder meetings, market and financial analysis, project development and design, environmental review and geotechnical analysis, and parking analysis.

Under this development agreement, the project is divided into two construction phases. The city-owned block is divided into three tracts with Weyland purchasing the two smaller tracts (Tract 1 and Tract 3). The middle tract (Tract 2) is the largest which will remain under city ownership for parking and open space.

The first phase includes Weyland purchasing Tract 1 for \$141,000 for the construction of a 4 ½ story boutique hotel, with the final site plan showing 84 rooms, along Jefferson Street. Weyland will invest a minimum of \$12 million in the hotel. The City will review the design of the hotel to ensure the design fits the fabric of the historic downtown. Also, during this first phase, Weyland will provide improvements to Tract 2 (the middle tract) to create green space, open space, and parking with the final site plan depicting 172 parking spaces. At this time, this parking lot offers 213 spaces. The City will retain ownership of Tract 2 and will reimburse Weyland for the development expenses.

The second phase of this development is the construction of two mixed-use commercial and residential buildings along Broadway on Tract 3. Weyland will purchase Tract 3 for \$155,000 and will invest a minimum of \$9 million into this phase. Phase 2 could include approximately 18,000 square feet in commercial space with up to 48 upper-story residential units.

After the presentation and public comments, Commissioner Gerald Watkins made a motion to table this ordinance for the development agreement until after the coronavirus pandemic. The motion failed by a 2 to 3 vote with Commissioner Watkins and Commissioner Abraham voting to table the project.

#### **First Amendment and Extension to Right of First Refusal Agreement with Riverfront Hotel LP (vote August 11)**

The Paducah Board of Commissioners introduced an ordinance to amend and extend the agreement with Paducah Riverfront Hotel, LP for the city-owned property located at 501 North 3<sup>rd</sup> Street. This is vacant property located adjacent to the City's floodwall and the Holiday Inn Paducah Riverfront. A nursing home was the last structure that was on the site before being demolished. In 2015, the City approved an agreement with Paducah Riverfront Hotel (LinGate Hospitality) for a right of first refusal and an option to purchase or lease the property. That agreement expired this month. This ordinance would extend the agreement for two more years with an expiration date of July 15, 2022, and amend the agreement to allow the developer more flexibility in the type of accommodations to be developed on the property. In 2015, the City entered into a development agreement with Paducah Riverfront Hotel to bring the 123-room Holiday Inn Paducah Riverfront which is located next to the convention center complex.

#### **Quick Highlights**

- Municipal order approved accepting the Office of Community Oriented Policing Services (COPS) Hiring Program Grant through the U.S. Department of Justice in the amount of \$375,000. These funds will be used to hire three new officers who will serve as School Resource Officers in the Paducah Public School System. The required funding match will be covered by the school district with a memorandum of understanding to be executed.
- Ordinance approved to rezone 5802 Commerce Drive from R-1 (Low Density Residential) to M-1 (Light Industrial Zone). This 16-plus acre area is on the western edge of Commerce Park. One of the initial developments will be the construction of an elevated water storage tank for Paducah Water to enhance water pressure in the Cairo Road area.
- Ordinance approved for a change order with Jim Smith Contracting, LLC for the paving and resurfacing contract to include contract pricing for pavement markings.
- Ordinance approved for the transfer of several city-owned properties used by the Paducah-McCracken County Joint Sewer Agency to JSA. JSA was formed by identical ordinances passed by the City and County in 1999. That ordinance specified that all sanitary sewer facilities were merged into the Agency and under Agency jurisdiction and control. The ordinance further specified that the City and County were to follow up this merger and transfer any real property related to the sanitary facilities by deed to JSA. The County property was transferred by deed, but the City property transfer was started but not completed. This action completes that process.
- Ordinance introduced (vote August 11) to approve the refinancing of the 2010B General Obligation Bond. This is the \$9.3 million bond originally issued in 2001 and refinanced in 2010 for the construction of the Paducah-McCracken County Expo Center and to contribute \$3.0 million to the construction of the Carson Center. The 25-year bond issue debt service payments are funded primarily by the McCracken County Transient Room Tax with any remaining balance shared equally by the City of Paducah, McCracken County, and the Paducah Convention and Visitor's Bureau.



The bond market appears to be favorable to refinance this bond at an interest savings estimated to exceed \$28,000 per year for each of the six remaining years.

- Ordinance introduced (vote August 11) for a budget amendment in the amount of \$141,000 for the purchase of Paxton Park grounds equipment.
- Ordinances introduced (vote August 11) to amend sections of Sect. 126-176 of the City of Paducah Zoning Code. The amendments are 1) to allow for electronic signs in the Mixed Use (MU) and A-1 districts and 2) to provide for an alternative rezoning approval process, renaming of the section, expanding notice requirements, and reordering and renumbering of the section.

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